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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re :
: Chapter 7
:
HELIOS AND MATHESON ANALYTICS : Case Nos. 20-10242-smb
INC., *et al.*,¹ :
: (Jointly Administered)
:
Debtors. :
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**DECLARATION OF TRUSTEE, ALAN NISSELSO, IN SUPPORT OF MOTION FOR
ORDER: (A) APPROVING SALE PROCEDURES TO BE UTILIZED BY TRUSTEE’S
FINANCIAL ADVISOR; (B) SETTING DATE FOR SALE(S) APPROVAL HEARING;
(C) APPROVING THE FORM AND MANNER OF NOTICE; AND
(D) GRANTING OTHER RELATED RELIEF**

Alan Nisselson, declares under penalty of perjury, as follows:

1. I have been appointed interim trustee of Helios and Matheson Analytics, Inc., a/k/a MovieFone, Case No. 20-10242-smb, Zone Technologies, Inc., a/k/a Red Zone, a/k/a Zone Intelligence, Case No. 20-10243-smb, and MoviePass, Inc., Case No. 20-10244-smb (collectively, “*Debtors*”). This declaration is based upon my personal knowledge I have derived about the Debtors’ assets and financial affairs.

¹ The Debtors in the jointly administered Chapter 7 cases, together with the last four digits of each Debtor’s federal tax identification number, are as follows: Helios and Matheson Analytics, Inc., a/k/a MovieFone (9913), Zone Technologies, Inc., a/k/a Red Zone, a/k/a Zone Intelligence, (5124), and MoviePass, Inc. (9893).

2. On January 28, 2020 (the “*Petition Date*”), the Debtors filed voluntary petitions for relief under Chapter 7 of the Bankruptcy Code.

3. The Trustee has selected Cassel Salpeter & Co., LLC (“*Cassel Salpeter*”) as his financial advisor, and has filed a motion for retention of Cassel Salpeter as his financial advisor nunc pro tunc to February 5, 2020. Before the Petition Date, the Debtors retained Cassel Salpeter as their investment banker. Cassel Salpeter is fully familiar with Debtors’ assets, as they have already set up a virtual data room containing relevant documents about Debtors’ assets, financial affairs, and business operations. Cassel Salpeter’s professionals also worked closely with Debtors’ senior management in identifying potential purchasers of the Debtors’ assets, and contacted many of the potential purchasers to assess their interest in purchasing Debtors’ assets.

4. Prior to the Petition Date, the Debtors provided high quality information technology services and solutions, including a range of technology platforms focusing on big data, business intelligence, and consumer-centric technology, grouped into three business segments: (i) Subscription and Marketing, (ii) Promotional Services and Films, and (iii) Consulting and Technology.

5. Cassel Salpeter has identified several of Debtors’ assets (“*Assets*”) for immediate sale:

(a) Moviefone. Moviefone is an entertainment information and marketing service which provides its users with access to the entire entertainment ecosystem. Moviefone delivers movie show times, trailers, TV schedules, streaming information, cast and crew interviews, photo galleries and more. Moviefone’s editorial coverage includes up-to-date entertainment news, trailers and clips, red-carpet coverage and celebrity features. Moviefone has ticket-selling technology that is in late-stage development. Moviefone’s primary source of

revenue is through advertising.

(b) Zone Technologies, Inc. Zone Technologies, Inc., a mapping and spatial analysis company, is the developer of the proprietary RedZone Map™, a GPS-driven, real-time crime and navigation map application whose goal is to enhance personal safety worldwide by providing users with real time crime data and a platform for alerting other users to criminal and other safety related occurrences in a navigation map format. Zone Technologies' mapping lets users be proactive when traveling, allowing them to enter several different cautionary items such as traffic problems, police sightings, road hazards, accidents and road closures. It also allows users to report a crime and to video upload live incidents.

(c) Tact.com. Tact.com is a registered domain owned by one of the Debtors.

(d) Consulting business. The consulting business provides high quality information technology services and solutions including a range of technology platforms focusing on big data, business intelligence, and consumer-centric technology. This segment of the business has one client, one employee and nine contractors currently working on active assignments. In addition, the consulting operation licenses software that facilitates data management on IBM mainframe environments to several clients.

6. The Assets will be sold for all cash and on an "as is", "where is" basis, without any representations or warranties of any kind or nature whatsoever, and subject to all faults, known or unknown, and free and clear of any and all liens, claims interests, and encumbrances ("**Encumbrances**"), with any such Encumbrances to attach to the proceeds of sales, in the order of priority they may have, and subject to any defenses under applicable law or in equity.

7. Auction. Cassel Salpeter will schedule and give notice of the Auction sales of the Assets to be held on March 16, 2020. The Auction sale(s) will take place by telephone and Cassel

Salpeter will supply all instructions regarding the conduct of the Auction Sale(s). The Assets will be sold separately rather than in a single lot. The following Auction terms shall be utilized:

(a) The Assets will be sold “as is”, “where is”, without any representation or warranty whatsoever, free and clear of all Encumbrances, for cash only, and subject to higher or better offers, to be selected by the Trustee in his sole discretion, and subject to Bankruptcy Court approval.

(b) Prior to the commencement of each Asset Auction, every bidder must deposit with the Trustee funds in an amount equal to 10% of the bidder’s initial bid, which must be equal to or greater than the minimum bid amount set by Trustee for the Asset to be auctioned.

(c) In addition, prior to the commencement of each Asset Auction, each bidder will be required to execute a sale agreement acceptable to the Trustee (a form of sale agreement will be provided by the Trustee).

(d) A sale approval hearing will be scheduled with the Court at which the Trustee shall request the Court for an Order approving each winning bid for the Assets (“***Sale Approval Order***”). The Trustee will request the Court for a date for the sale approval hearing about four days following the Auction Sale(s), subject to the Court’s convenience.

(e) Each winning bidder shall be required to close on the sale transaction no later than 15 days after a Sale Approval Order is entered or within 48 hours of entry of the Sale Approval Order if the Court waives the requirements of Bankruptcy Rule 6004(h).

(f) Cassel Salpeter and the Trustee reserve the right to alter, modify and amend any procedures used to conduct the Auction sale(s).

8. I believe that the circumstances of this case require that the Trustee’s request for relief in this Motion be heard on an expedited basis. The sustainability of MovieFone and its

ability to continue generating revenues, for example, requires as minimal an interruption to its operation as possible. For the reasons set forth herein, I believe that an order scheduling the hearing on the Motion be entered on shortened and limited notice with a hearing to take place on February 25, 2020, a date when other matters in these cases are scheduled to be heard. In addition, I respectfully request that the notice of this Motion be limited to each of the Debtors' largest 20 unsecured creditors, since most of Debtors' creditors (about 12,000) hold small claim amounts, and the cost of giving notice to those parties and the time to undertake notice to all creditors of record will be expensive and burdensome.

Dated: New York, New York
February 10, 2020

/s/ Alan Nisselson
Alan Nisselson